

COUNCIL DOCKET OF

10/29/07☐ Supplemental ☒ Adoption ☐ Consent ☐ Unanimous Consent Rules Committee Consultant Review

R -

O -

AKT LLP Amendment No. 1 for Pay for Performance and Bid to Goal Programs

☒ Reviewed ☐ Initiated By Audit On 9/24/07 Item No. 8

RECOMMENDATION TO:

Forward the audit consultant contract for the Bid to Goal and Pay for Performance audits to the full City Council.

VOTED YEA: Faulconer, Young, Atkins

VOTED NAY:

NOT PRESENT:

CITY CLERK: Please reference the following reports on the City Council Docket:

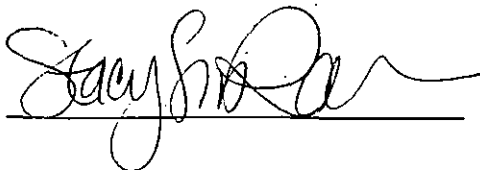
REPORT TO THE CITY COUNCIL NO.

COUNCIL COMMITTEE CONSULTANT ANALYSIS NO.

OTHER:

Metropolitan Wastewater Department's September 24, 2007, PowerPoint

COUNCIL COMMITTEE CONSULTANT



**Audit Services for
FY07 Bid to Goal and
Pay for Performance Programs**

Metro Wastewater and
Water Departments

R- 303094

Bid to Goal Scope

- Verify accuracy of budgeted savings
- Review budget objectives
- Review “In Scope” and “Out of Scope” activities
- Compare results to goals
- Report results
- Recommend improvements as needed

Cost

- Water - Bid to Goal: Operations (\$23k), Customer Support (\$25k/new).
- Water - Pay 4 Performance: Operations (\$23k), Customer Support (\$25k/new).
- MWWWD - Bid to Goal: Operations and Maint. (\$23k), WW Collections(\$23k).
- MWWWD - Pay 4 Performance: Department-wide (\$23k).
- Total contract value for 1st Option Year = \$165,000

Bid to Goal & Pay for Performance

- First year extension of contract – 3 option years remain.
- This extension is to audit FY2007 results.
- The consultant is AKT Certified Public Accountants.
- Audit Purpose: Independent verification of program results.

Pay for Performance Scope

- Review goals
- Verify documentation
- Report % of goals met
- Judgmentally sample goals to test
- Report findings
- Recommend improvements

City of San Diego
MEMORANDUM

DATE: October 30, 2007
TO: CITY ATTORNEY – James Lancaster
FROM: Office of the City Clerk – Mary Zumaya
SUBJECT: Item 151 of the October 29, 2007 City Council Meeting

ITEM-151: AKT Certified Public Accountants, LLP Amendment No. 1 for Pay for Performance and Bid to Goal Programs. (Citywide)

(See Metropolitan Wastewater Department's 9/24/2007 PowerPoint.)

TODAY'S ACTION IS

Adopt the following resolution:

(R-2008-252)

Authorizing the Mayor, or his designee, to execute, for and on behalf of the City, an amendment to the agreement with AKT Certified Public Accountants, LLP, for audit of the Pay for Performance and Bid to Goal Programs, under the terms and conditions set forth in Amendment No. 1;

Authorizing the expenditure of an amount not to exceed \$165,000, to provide funds for the above Amendment No. 1, to be expended as follows:

\$96,000 from Water Operating Fund No. 41500;
\$46,000 from Wastewater Operating Fund No. 41506; and
\$23,000 from Wastewater Operating Fund No. 41508.

Authorizing the Mayor, or his designee, to execute future extension for option years two, three, and four as needed, in accordance with the terms of the above agreement, in an amount not to exceed \$546,164 and provided the City Auditor and Comptroller furnishes one or more certificates demonstrating that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer, to be expended as follows:

\$173,250 for option year two, consisting of \$100,800 from the Water Operating Fund and \$72,450 from the Wastewater Operating Fund;

\$181,909 for option year three, consisting of \$105,838 from the Water Operating Fund and \$76,071 from the Wastewater Operating Fund; and

\$191,005 for option year four, consisting of \$111,130 from the Water Operating Fund and \$79,875 from the Wastewater Operating Fund.

Declaring that the above activity is not a project and therefore is not subject to the California Environmental Quality Act pursuant to CEQA Guidelines Section 15060(c)(3).

AUDIT COMMITTEE'S RECOMMENDATION:

On 9/24/2007, Audit voted 3 to 0 to forward the audit consultant contract for the Bid to Goal and Pay for Performance audits to the full City Council. (Councilmembers Faulconer, Atkins, and Young voted yea.)

SUPPORTING INFORMATION:

The Metropolitan Wastewater and Water Departments have engaged in operational optimization and cost savings programs since 1997. More specifically, both departments have implemented "Pay for Performance" (P4P) and "Bid to Goal" (B2G) Programs to create incentives for employees to participate in identifying and creating cost savings and operational improvements for the benefit of the rate payers. In part, these programs have benchmarks and goals that when met or exceeded will result in employees receiving incentive pay.

The program requires independent "audited" verification that the goals, savings and targets were met to substantiate the incentive payments. In Fiscal Year 2007, the City entered into agreement with the accounting firm of Grice, Lund and Tarkington, LLP (now doing business as AKT Certified Public Accountants) to verify both P4P and B2G results for the Fiscal Year 2006 program year. The original contract award to AKT Certified Public Accountants (AKT) includes four (4) option years for renewal (Program years Fiscal Year 2007 through Fiscal Year 2010).

This action seeks to exercise the first option year of the contract to engage AKT to audit the Fiscal Year 2007 Program Year for P4P and B2G in both the Metropolitan Wastewater and Water Departments and to provide authority to exercise three additional option years. Scope for future years will be adjusted to reflect the "auditing" needs for those Pay for Performance and Bid to Goal programs which are in place in each department.

FISCAL CONSIDERATIONS:

This action includes seven (7) audit components. In accordance with the proposal, five of the audits components are priced at \$23,000 each, and two are priced at \$25,000 each. The total cost is \$165,000 of which \$69,000 is available in the MWWD Operating Fund and \$96,000 is available in the Water Operating Fund. This action is funded from sewer and water revenue rates only.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

This action was discussed at the City's Audit Committee on September 24, 2007.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Participating Employees and their respective employee groups, to include: San Diego Municipal Employees Association and AFSCME Local 127.

Bertch/Haas

Aud. Cert. 2800226.

COUNCIL ACTION WAS:

Motion by Faulconer, second by Madaffer to adopt the resolution with the exception that before the Mayor executes future extensions, the City Council is required to approve.

This item is subject to Mayor's Veto and must be submitted to the Mayor within 48 hours of City Council adoption of October 29, 2007. Please amend the resolution to reflect Council's Action using the appropriate language, and return to Mary Zumaya at the City Clerk's Office for further processing.

COUNCIL VOTE WAS:

Unanimous; 5-not present.

Resolution R-303094 has been assigned to this action.

Mary Zumaya, Deputy City Clerk

DOCKET SUPPORTING INFORMATION
CITY OF SAN DIEGODATE: 123
12/04**EQUAL OPPORTUNITY CONTRACTING PROGRAM EVALUATION**

September 24, 2007

SUBJECT: AKT LLP Amendment No.1 for Pay for Performance and Bid to Goal Programs

GENERAL CONTRACT INFORMATION

Recommended Contractor: AKT LLP

Amount of this Action: \$711,164 (includes future options for years 2, 3, and 4)

Original Contract: \$112,500

Cumulative: \$823,664

Funding Source: City of San Diego

SUBCONTRACTOR PARTICIPATION

No Subcontractor participation.

EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE

Equal Opportunity: Required

AKT LLP submitted a Work Force Report for their San Diego employees dated September 21, 2007 indicating 175 employees in the Administrative Work Force. The Administrative Work Force Analysis indicates under-representations in the following categories:

Blacks in Mgmt & Financial, Professional and Administrative Support
Hispanics in Mgmt & Financial, Professional and Administrative Support
Asians in Mgmt & Financial and Administrative Support
Filipinos in Mgmt & Financial, Professional and Administrative Support

The firm's work force reflects an under representation in the Filipino Professional category; however, the participation level in the overall category exceeds the goal.

EOC staff is concerned about the under representations in the firm's workforce report and therefore, has requested an Equal Opportunity Plan and will continue to monitor the firm's effort to implement their plans.

ADDITIONAL COMMENTS

The *Work Force Analysis* is attached.

Action includes options to renew the contract for three (3) additional one (1) year periods.

JLR

File: Admin WOFO 2000

Date WOFO Submitted: 9/21/2007
Input by: SHGoals reflect statistical labor force
availability for the following: 2000 CLFA
San Diego, CA

City of San Diego/Equal Opportunity Contracting

WORK FORCE ANALYSIS REPORT

FOR

Company: AKT LLP

I. TOTAL WORK FORCE:

	Black			Hispanic			Asian			American Indian			Filipino			White			Other		
	Goals	M	F	Goals	M	F	Goals	M	F	Goals	M	F	Goals	M	F	M	F	M	F		
Mgmt & Financial	3.3%	0	0	11.9%	1	1	6.2%	1	0	0.4%	0	0	6.2%	0	0	31	22	0	0		
Professional	4.0%	0	1	12.6%	1	1	6.5%	1	4	0.5%	0	2	6.5%	0	0	31	44	0	0		
A&E, Science, Computer	2.8%	0	0	7.3%	0	0	16.2%	0	0	0.3%	0	0	16.2%	0	0	0	0	0	0		
Technical	6.6%	0	0	14.8%	0	0	17.2%	0	0	0.4%	0	0	17.2%	0	0	0	0	0	0		
Sales	3.9%	0	0	19.5%	0	0	6.8%	0	0	0.6%	0	0	6.8%	0	0	0	0	0	0		
Administrative Support	7.0%	0	1	20.8%	0	2	8.8%	0	0	0.6%	0	0	8.8%	0	0	3	26	1	1		
Services	5.5%	0	0	36.9%	0	0	9.7%	0	0	0.6%	0	0	9.7%	0	0	0	0	0	0		
Crafts	4.5%	0	0	25.8%	0	0	9.1%	0	0	0.7%	0	0	9.1%	0	0	0	0	0	0		
Operative Workers	4.3%	0	0	38.8%	0	0	20.8%	0	0	0.3%	0	0	20.8%	0	0	0	0	0	0		
Transportation	8.1%	0	0	32.1%	0	0	4.5%	0	0	0.5%	0	0	4.5%	0	0	0	0	0	0		
Laborers	4.4%	0	0	54.0%	0	0	4.1%	0	0	0.5%	0	0	4.1%	0	0	0	0	0	0		
TOTAL		0	2		2	4		2	4		0	2		0	0		65	92		1	1

HOW TO READ TOTAL WORK FORCE SECTION:

The information blocks in Section 1 (Total Work Force) identify the absolute number of the firm's employees. Each employee is listed in their respective ethnic/gender and employment category. The percentages listed under the heading of "CLFA Goals" are the County Labor Force Availability goals for each employment and ethnic/gender category.

Mgmt & Financial
Professional
A&E, Science, Computer
Technical
Sales
Administrative Support
Services
Crafts
Operative Workers
Transportation
Laborers

TOTAL EMPLOYEES			Female Goals
ALL	M	F	
56	33	23	39.8%
85	33	52	59.5%
0	0	0	22.3%
0	0	0	49.0%
0	0	0	49.4%
34	4	30	73.2%
0	0	0	62.3%
0	0	0	8.8%
0	0	0	38.7%
0	0	0	15.2%
0	0	0	11.1%
TOTAL	175	70	105

HOW TO READ EMPLOYMENT ANALYSIS SECTION:

The percentages listed in the goals column are calculated by multiplying the CLFA goals by the number of employees in that job category. The number in that column represents the percentage of each protected group that should be employed by the firm to meet the CLFA goal. A negative number will be shown in the discrepancy column for each underrepresented goal of at least 1.00 position.

II. EMPLOYMENT ANALYSIS

	Black			Hispanic			Asian			American Indian			Filipino			Female		
	Goals	Actual	Discrepancy	Goals	Actual	Discrepancy	Goals	Actual	Discrepancy	Goals	Actual	Discrepancy	Goals	Actual	Discrepancy	Goals	Actual	Discrepancy
Mgmt & Financial	1.85	0	(1.85)	6.66	2	(4.66)	3.47	1	(2.47)	0.22	0	N/A	3.47	0	(3.47)	22.29	23	N/A
Professional	3.40	1	(2.40)	10.71	2	(8.71)	5.53	5	N/A	0.43	2	1.58	5.53	0	(5.53)	50.58	52	1.43
A&E, Science, Computer	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00
Technical	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00
Sales	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00
Administrative Support	2.38	1	(1.38)	7.07	2	(5.07)	2.99	0	(2.99)	0.20	0	N/A	2.99	0	(2.99)	24.89	30	5.11
Services	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00
Crafts	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00
Operative Workers	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00
Transportation	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00
Laborers	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00

Goals are set by job categories for each protected group. An underrepresentation is indicated by a negative number, but if the DISCREPANCY is less than -1.00 position, a N/A will be displayed to show there is no underrepresentation.

303094

000945



City of San Diego

EQUAL OPPORTUNITY CONTRACTING (EOC)

1200 Third Avenue • Suite 200 • San Diego, CA 92101

Phone: (619) 236-6000 • Fax: (619) 235-5209

WORK FORCE REPORT**LOCAL WORK FORCE**

The objective of the *Equal Employment Opportunity Outreach Program*, San Diego Municipal Code Sections 22.3501 through 22.3517, is to ensure that contractors doing business with the City, or receiving funds from the City, do not engage in unlawful discriminatory employment practices prohibited by State and Federal law. Such employment practices include, but are not limited to unlawful discrimination in the following: employment, promotion or upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training, including apprenticeship. Contractors are required to provide a completed *Work Force Report*.

CONTRACTOR IDENTIFICATION

Type of Contractor: ☐ Construction ☐ Vendor/Supplier ☐ Financial Institution ☐ Lessee/Lessor
☒ Consultant ☐ Grant Recipient ☐ Insurance Company ☐ Other

Name of Company: AKT LLP

AKA/DBA: _____

Address (Corporate Headquarters, where applicable): 5946 Priestly Drive, Suite 200City Carlsbad County San Diego State CA Zip 92008Telephone Number: (760) 431-8440 FAX Number: (760) 431-9052Name of Company CEO: Ronald A. Mitchell, CPA

Address(es), phone and fax number(s) of company facilities located in San Diego County (if different from above):

Address: _____

City _____ County _____ State _____ Zip _____

Telephone Number: () _____ FAX Number: () _____

Type of Business: _____ Type of License: _____

The Company has appointed: Julie Vadnais

as its Equal Employment Opportunity Officer (EEOO). The EEOO has been given authority to establish, disseminate, and enforce equal employment and affirmative action policies of this company. The EEOO may be contacted at:

Address: 5946 Priestly Drive, Suite 200, Carlsbad, CA 92008Telephone Number: (760) 268-0205 FAX Number: (760) 431-9052

For Firm's: ☒ San Diego Work Force and/or ☐ Managing Office Work Force

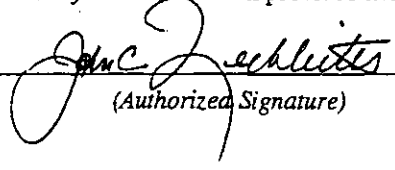
I, the undersigned representative of AKT LLP

(Firm Name)

San Diego,CA

(County)

(State)

hereby certify that information provided herein is true and correct. This document was executed on this day of September 21, 2007

 (Authorized Signature)
John C. Lechleiter

(Print Authorized Signature Name)

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WORK FORCE REPORT - Page 2

NAME OF FIRM: AKT LLP

DATE: September 21, 2007

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- | | |
|--|--|
| (1) African-American, Black | (5) Filipino |
| (2) Latino, Hispanic, Mexican-American, Puerto Rican | (6) Caucasian |
| (3) Asian, Pacific Islander | (7) Other ethnicity; not falling into other groups |
| (4) American Indian, Eskimo | |

OCCUPATIONAL CATEGORY	(1) African-American		(2) Latino		(3) Asian		(4) American Indian		(5) Filipino		(6) Caucasian		(7) Other Ethnicities	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Executive, Administrative, Managerial			1	1	1						31	22		
Professional Specialty		1	1	1	1	4		2			31	44		
Engineers/Architects														
Technicians and Related Support														
Sales														
Administrative Support/Clerical		1		2							3	26	1	1
Services														
Precision Production, Craft and Repair														
Machine Operators, Assemblers, Inspectors														
Transportation and Material Moving														
Handlers, Equipment Cleaners, Helpers and Non-construction Laborers*														

*Construction laborers and other field employees are not to be included on this page

TOTALS EACH COLUMN	2	2	4	2	4	2			65	91	1	1
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GRAND TOTAL ALL EMPLOYEES

174

INDICATE BY GENDER AND ETHNICITY THE NUMBER OF ABOVE EMPLOYEES WHO ARE DISABLED:

DISABLED														
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NON-PROFIT ORGANIZATIONS ONLY:

BOARD OF DIRECTORS														
VOLUNTEERS														
ARTISTS														

000947

MWD-8037 123

REQUEST FOR COUNCIL ACTION

CITY OF SAN DIEGO

1. CERTIFICATE NUMBER 12/04

(FOR AUDITOR'S USE ONLY)

AC 2800226

TO: CITY ATTORNEY	2. FROM (ORIGINATING DEPARTMENT): Metropolitan Wastewater and Water Departments	3. DATE: 9/18/07
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4. SUBJECT: AKT LLP Amendment No. 1 for Pay for Performance and Bid to Goal Programs		
5. PRIMARY CONTACT (NAME, PHONE, & MAIL STA.) Ernie Linares (858) 292-6309	6. SECONDARY CONTACT (NAME, PHONE, & MAIL STA.) Darlene Morrow-Truver (858) 292-6384	7. CHECK BOX IF REPORT TO COUNCIL IS ATTACHED <input type="checkbox"/>

8. COMPLETE FOR ACCOUNTING PURPOSES

FUND	See Attached			9. ADDITIONAL INFORMATION / ESTIMATED COST:	
DEPT.					
ORGANIZATION				C-14164 \$112,500	
OBJECT ACCOUNT				This request \$165,000	
JOB ORDER				Subtotal \$277,500	
C.I.P. NUMBER				Option Year 2 \$173,250	
AMOUNT				Option Year 3 \$181,909	
				Option Year 4 \$191,005	
				Total Contract \$823,664	

10. ROUTING AND APPROVALS

ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
1	ORIG. DEPT.		9/20/07	9	DEPUTY CHIEF		10-9-07
2	WATER		9/20/07	10	C.O.O.		10-9-07
3	PURCHASING AND CONTRACTING			11	CITY ATTORNEY		10/9/07
4	E.O.C.		9/25/07	12	ORIG. DEPT.		10/9/07
5	E.A.S.		9/21/07	13			
6	LIAISON OFFICE			DOCKET COORD: 10/16/07 COUNCIL LIAISON			
7	F.M.		9/21/07	COUNCIL PRESIDENT <input type="checkbox"/> SPOB <input type="checkbox"/> CONSENT <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> COUNCIL DATE: 10/29			
8	AUDITOR		9/24/07				

11. PREPARATION OF: ☒ RESOLUTIONS ☐ ORDINANCE(S) ☒ AGREEMENT(S) ☐ DEED(S)

- 1) Authorize the Mayor or his designee to execute Amendment No. 1 to the contract with AKT Certified Public Accountants, which provides for exercising the option for a one-year extension, in the amount of \$165,000, bringing the contract amount to date to \$277,500.

NOTE: See Continuation Page

11A. STAFF RECOMMENDATIONS:
Adopt the Resolution.

12. SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION.)

COUNCIL DISTRICT(S): Citywide

COMMUNITY AREA(S): Citywide

ENVIRONMENTAL IMPACT: This activity is not a "project" and therefore not subject to CEQA Guidelines Section 15060(c)(3).

ATTACHMENTS: Amendment No. 1 to the AKT LLP Agreement; C-14164.

CITY CLERK INSTRUCTIONS: Please forward two copies of the Resolution to MWWD, MS 901A, Attn: Rose Salarda.

SECTION 8 – COMPLETE FOR ACCOUNTING PURPOSES (CONTINUED)

Fund	41506	41508	41509	41500	41500
Dept.	773	771	777	760	760
Org.	110	060	495	504	220
Obj. Acct.	4145	4145	4145	4145	4145
Job Order	001629	002000	005023	050452	002030
Amount	\$23,000	\$23,000	\$23,000	\$46,000	\$50,000
Grand Total	\$165,000				

SECTION 11- PREPARATION OF: RESOLUTIONS, ORDINANCES, ETC. (CONTINUED):

- 2) Authorize the expenditure of \$165,000 of which \$96,000 is from the Water Operating Fund 41500, \$46,000 is from the Wastewater Operating Fund 41506, and \$23,000 is from the Wastewater Operating Fund 41508.
- 3) Authorize the Mayor or his designee to execute future extensions for option years two, three, and four as needed, and in accordance with the terms of the original agreement, in the following amounts provided that the City Auditor and Comptroller furnishes one or more certificates indicating that the funds are, or will be, on deposit with the City Treasurer, bringing the total contract amount to \$823,664:

Option year two for a not to exceed amount of \$173,250, of which \$100,800 is from the Water Operating Fund, and \$72,450 is from the Wastewater Operating Fund;

Option year three for a not to exceed amount of \$181,909, of which \$105,838 is from the Water Operating Fund, and \$76,071 is from the Wastewater Operating Fund;

Option year four for a not to exceed amount of \$191,005, of which \$111,130 is from the Water Operating Fund, and \$79,875 is from the Wastewater Operating Fund.

EXECUTIVE SUMMARY SHEET

DATE REPORT ISSUED:	September 18, 2007	REPORT NO.:
ATTENTION:	Council President and City Council	
ORIGINATING DEPARTMENT:	Metropolitan Wastewater and Water Departments	
SUBJECT:	AKT LLP Amendment No. 1 for Pay for Performance and Bid to Goal Programs	
COUNCIL DISTRICT(S):	Citywide	
STAFF CONTACT:	Darlene Morrow-Truver (858) 292-6384	

REQUESTED ACTION:

Authorize the Mayor or his designee to execute Amendment No. 1 to the contract with AKT Certified Public Accountants, which provides for exercising the option for a one-year extension, in the amount of \$165,000, bringing the total contract amount to \$277,500.

Authorize the expenditure of \$165,000 of which \$96,000 is from the Water Operating Fund 41500, \$46,000 is from the Wastewater Operating Fund 41506, and \$23,000 is from Wastewater Operating Fund 41508.

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STAFF RECOMMENDATION:

Adopt the Resolution.

EXECUTIVE SUMMARY:

The Metropolitan Wastewater and Water Departments have engaged in operational optimization and cost savings programs since 1997. More specifically, both departments have implemented "Pay for Performance" (P4P) and "Bid to Goal" (B2G) Programs to create incentives for employees to participate in identifying and creating cost savings and operational improvements for the benefit of the rate payers. In part, these programs have benchmarks and goals that when met or exceeded will result in employees receiving incentive pay.

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000950

reflect the "auditing" needs for those Pay for Performance and Bid to Goal programs which are in place in each department.

FISCAL CONSIDERATIONS:

This action includes seven (7) audit components. In accordance with the proposal, five of the audits components are priced at \$23,000 each, and two are priced at \$25,000 each. The total cost is \$165,000 of which \$69,000 is available in the MWWD Operating Fund and \$96,000 is available in the Water Operating Fund. This action is funded from sewer and water revenue rates only.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

This action was discussed at the City's Audit Committee on September 24, 2007.

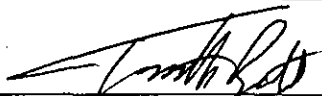
COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

None.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Participating Employees and their respective employee groups, to include: San Diego Municipal Employees Association and AFSCME Local 127.

AKT, LLP



Originating Department



Deputy Chief/Chief Operating Officer

#123
12/04/07

(R-2008-482)

RESOLUTION NUMBER R-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE CITY COUNCIL AUTHORIZING
AMENDMENT NO. 1 WITH AKT CERTIFIED PUBLIC
ACCOUNTANTS TO AUDIT PAY FOR PERFORMANCE
AND BID TO GOAL PROGRAMS; AUTHORIZING OPTIONS
TO EXTEND AUDITS IN FUTURE YEARS; AND
EXPENDING FUNDS FOR SUCH AUDIT.

WHEREAS, the Metropolitan Wastewater Department and the Water Department
implemented pay for performance and bid to goal programs to identify cost savings and
operational improvements; and

WHEREAS, on April 4, 2007 the City entered into an agreement with AKT Certified
Public Accountants (formerly Grice, Lund & Tarkington) to audit these programs for one year,
with options to renew such services for up to four additional years; and

WHEREAS, the parties wish to exercise the option to renew AKT's services for one
additional year and to provide authority to exercise future options for three additional years;
NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the Mayor or his
designee is authorized to execute, for and on behalf of the City, an amendment to the
agreement with AKT Certified Public Accountants, LLP, for audit of the Pay for Performance
and Bid to Goal Programs, under the terms and conditions set forth in Amendment No. 1, on
file in the office of the City Clerk as Document No. RR-_____.

BE IT FURTHER RESOLVED, that the expenditure of an amount not to exceed \$165,000 is authorized, to provide funds for the above Amendment No. 1, to be expended as follows:

\$96,000 from Water Operating Fund No. 41500;
\$46,000 from Wastewater Operating Fund No. 41506; and
\$23,000 from Wastewater Operating Fund No. 41508.

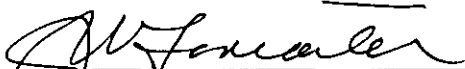
BE IT FURTHER RESOLVED, that subject to further Council approval, the Mayor or his designee is authorized to execute future extension for option years two, three, and four as needed, in accordance with the terms of the above agreement, in an amount not to exceed \$546,164 and provided the City Auditor and Comptroller furnishes one or more certificates demonstrating that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer, to be expended as follows:

\$173,250 for option year two, consisting of \$100,800 from the Water Operating Fund and \$72,450 from the Wastewater Operating Fund
\$181,909 for option year three, consisting of \$105,838 from the Water Operating Fund and \$76,071 from the Wastewater Operating Fund; and
\$191,005 for option year four, consisting of \$111,130 from the Water Operating Fund and \$79,875 from the Wastewater Operating Fund.

BE IT FURTHER RESOLVED, that the above activity is not a project and therefore is not subject to the California Environmental Quality Act pursuant to CEQA Guidelines section 15060(c)(3).

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By



James W. Lancaster
Deputy City Attorney

JWL:ca
11/27/2007
Aud.Cert: #280026
Or.Dept:MWWD
MWD-8037
R-2008-482

I hereby certify that the foregoing resolution was passed by the Council of the City of San Diego, at its meeting of _____.

ELIZABETH S. MALAND, City Clerk

By

Deputy City Clerk

Approved: _____

(date)

JERRY SANDERS, Mayor

Vetoed: _____

(date)

JERRY SANDERS, Mayor

000951

The City of San Diego
CERTIFICATE OF CITY AUDITOR AND COMPTROLLER

CERTIFICATE OF UNALLOTTED BALANCE

AC 2800226

ORIGINATING

DEPT. NO.: 777

I HEREBY CERTIFY that the money required for the allotment of funds for the purpose set forth in the foregoing resolution is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unallotted.

Amount: _____ Fund: _____

Purpose: _____

Date: _____ By: _____

ACCOUNTING DATA										
ACCTG. LINE	CY PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/ EQUIP	FACILITY	AMOUNT
TOTAL AMOUNT										

FUND OVERRIDE ☐

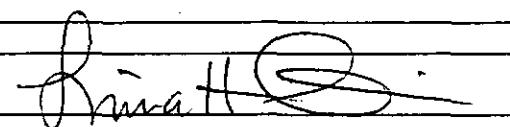
CERTIFICATION OF UNENCUMBERED BALANCE

I HEREBY CERTIFY that the indebtedness and obligation to be incurred by the contract or agreement authorized by the hereto attached resolution, can be incurred without the violation of any of the provisions of the Charter of the City of San Diego; and I do hereby further certify, in conformity with the requirements of the Charter of the City of San Diego, that sufficient moneys have been appropriated for the purpose of said contract, that sufficient moneys to meet the obligations of said contract are actually in the Treasury, or are anticipated to come into the Treasury, to the credit of the appropriation from which the same are to be drawn, and that the said money now actually in the Treasury, together with the moneys anticipated to come into the Treasury, to the credit of said appropriation, are otherwise unencumbered.

Not to Exceed: \$165,000.00

Vendor: AKT Certified Public Accountants

Purpose: Authorizing the expenditure of funds for Amendment No. 1 for the external audit of the performance of the FY06 Pay for Performance (P4P) and Bid to Goal (B2G) programs.

Date: September 24, 2007 By: L. Chim 

ACCOUNTING DATA										
ACCTG. LINE	CY PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/ EQUIP	FACILITY	AMOUNT
1	0	41506	773	110	4145	001629				23,000.00
2	0	41508	771	060	4145	002000				23,000.00
3	0	41509	777	495	4145	005023				23,000.00
4	0	41500	760	504	4145	050452				46,000.00
5	0	41500	760	220	4145	002030				50,000.00
TOTAL										\$165,000.00

AC-361 (REV 2-92)

FUND OVERRIDE ☐

AC 2800226

R. 303094

OCT 29 2007

E. FINANCIAL RESOURCES AND RESPONSIBILITY:

1. Is your firm in preparation for, in the process of, or in negotiations toward being sold?
☐ Yes ☒ No

If Yes, use *Questionnaire Attachment "A"* to explain specific circumstances, including name of the buyer and principal contact information.

2. In the past five (5) years, has your firm been denied bonding?
☐ Yes ☒ No

If Yes, use *Questionnaire Attachment "A"* to explain specific circumstances; include bonding company name.

3. In the past five (5) years, has a bonding company made any payments to satisfy claims made against a bond issued on your firm's behalf or a firm where you were the principal?
☐ Yes ☒ No

If Yes, use *Questionnaire Attachment "A"* to explain specific circumstances.

F. PERFORMANCE HISTORY:

1. In the past five (5) years, has your firm defaulted on a contract with a government agency?
☐ Yes ☒ No

If Yes, use *Questionnaire Attachment "A"* to explain specific circumstances.

2. In the past five (5) years, has a government agency terminated your firm's contract prior to completion?
☐ Yes ☒ No

If Yes, use *Questionnaire Attachment "A"* to explain specific circumstances and provide principal contact information.

G. COMPLIANCE:

1. In the past five (5) years, has your firm or any firm owner, partner or officer been found to have violated or been penalized for any federal, state or local law in performance of a contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees?
☐ Yes ☒ No

If Yes, use *Questionnaire Attachment "A"* to explain specific circumstances surrounding each instance; include name of entity involved, specific infraction(s) or violation(s), dates of instances, and outcome with current status.

2. In the past five (5) years, has your firm been debarred or determined to be non-responsible by a government agency?
☐ Yes ☒ No

If Yes, use *Questionnaire Attachment "A"* to explain specific circumstances of each instance; include name of entity involved, specific infraction, dates, and outcome.

H. BUSINESS INTEGRITY:

1. In the past five (5) years, has your firm been convicted of or found liable in a civil suit for making a false claim or material misrepresentation to a private or governmental entity?
☐ Yes ☒ No

If Yes, use *Questionnaire Attachment "A"* to explain specific circumstances of each instance; include the entity involved, specific infraction(s) or violation(s), dates, outcome and current status.

2. In the past five (5) years, has your firm or any of its executives, management personnel, or owners been convicted of a crime, including misdemeanors, or been found liable in a civil suit involving the bidding, awarding, or performance of a government contract?
☐ Yes ☒ No

If Yes, use *Questionnaire Attachment "A"* to explain specific circumstances of each instance; include the entity involved, specific infraction(s), dates, outcome and current status.

I. TYPE OF SUBMISSION: This questionnaire response is submitted as:

- ☒ Initial submission of *Contractor Standards Questionnaire*.
☐ Update of prior *Contractor Standards Questionnaire* dated ____/____/____.

Complete all questions and sign below. Each *Questionnaire Attachment "A"* page must be signed.

Under penalty of perjury under the laws of the State of California, I certify I have read and understand the questions contained in this questionnaire and that I am responsible for completeness and accuracy of responses and all information provided is true to the best of my knowledge and belief. I further certify my agreement to the following provisions of San Diego Ordinance No. O-19383:

- (a) To comply with all applicable State and Federal laws, including health and safety, labor and employment, and licensing laws that affect the employees, worksite or performance of the contract.
- (b) To notify the Purchasing Agent within fifteen (15) calendar days upon receiving notification that a government agency has begun an investigation of the Contractor that may result in a finding that the Contractor is or was not in compliance with laws stated in paragraph (a).
- (c) To notify the Purchasing Agent within fifteen (15) calendar days when there has been a finding by a government agency or court of competent jurisdiction of a violation by the Contractor of laws stated in paragraph (a).
- (d) To provide the Purchasing Agent updated responses to the *Contractor Standards Questionnaire* within thirty (30) calendar days if a change occurs which would modify any response.
- (e) To notify the Purchasing Agent within fifteen (15) days of becoming aware of an investigation or finding by a government agency or court of competent jurisdiction of a violation by a subcontractor of laws stated in paragraph (a).
- (f) To cooperate fully with the Purchasing Agent and the City during any investigation and to respond to a request for information within ten (10) working days from the request date.

Failure to sign and submit this form with the bid/proposal shall make the bid/proposal non-responsive.

John C. Lechleiter
Print Name, Title

John C. Lechleiter
Signature

1/16/07
Date

RECEIVED
CITY CLERK OFFICE
SAN DIEGO, CA
JAN 16 2007

RESOLUTION NUMBER R- 303094DATE OF FINAL PASSAGE NOV 08 2007

A RESOLUTION OF THE CITY COUNCIL AUTHORIZING AMENDMENT NO. 1 WITH AKT CERTIFIED PUBLIC ACCOUNTANTS TO AUDIT PAY FOR PERFORMANCE AND BID TO GOAL PROGRAMS; AUTHORIZING OPTIONS TO EXTEND AUDITS IN FUTURE YEARS; AND EXPENDING FUNDS FOR SUCH AUDIT.

WHEREAS, the Metropolitan Wastewater Department and the Water Department implemented pay for performance and bid to goal programs to identify cost savings and operational improvements; and

WHEREAS, on April 4, 2007 the City entered into an agreement with AKT Certified Public Accountants (formerly Grice, Lund & Tarkington) to audit these programs for one year, with options to renew such services for up to four additional years; and

WHEREAS, the parties wish to exercise the option to renew AKT's services for one additional year and to provide authority to exercise future options for three additional years;
NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the Mayor or his designee is authorized to execute, for and on behalf of the City, an amendment to the agreement with AKT Certified Public Accountants, LLP, for audit of the Pay for Performance and Bid to Goal Programs, under the terms and conditions set forth in Amendment No. 1, on file in the office of the City Clerk as Document No. RR- 303094.

BE IT FURTHER RESOLVED, that the expenditure of an amount not to exceed \$165,000 is authorized, to provide funds for the above Amendment No. 1, to be expended as follows:

\$96,000 from Water Operating Fund No. 41500;

\$46,000 from Wastewater Operating Fund No. 41506; and

\$23,000 from Wastewater Operating Fund No. 41508.

BE IT FURTHER RESOLVED, that subject to further Council approval, the Mayor or his designee is authorized to execute future extension for option years two, three, and four as needed, in accordance with the terms of the above agreement, in an amount not to exceed \$546,164 and provided the City Auditor and Comptroller furnishes one or more certificates demonstrating that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer, to be expended as follows:

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\$181,909 for option year three, consisting of \$105,838 from the Water Operating Fund and \$76,071 from the Wastewater Operating Fund; and

\$191,005 for option year four, consisting of \$111,130 from the Water Operating Fund and \$79,875 from the Wastewater Operating Fund.

BE IT FURTHER RESOLVED, that the above activity is not a project and therefore is not subject to the California Environmental Quality Act pursuant to CEQA Guidelines section 15060(c)(3).

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By



James W. Lancaster
Deputy City Attorney

JWL:mb:ca
10/09/2007
Aud.Cert: #280026
Or.Dept:MWWD
MWD-8037
R-2008-252
10/31/2007
R-2008-252 REV.

I hereby certify that the foregoing resolution was passed by the Council of the City of San Diego, at its meeting of OCT 29 2007.

ELIZABETH S. MALAND, City Clerk

By



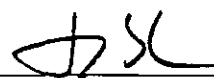
Deputy City Clerk

Approved:

(date)

11-8-07

JERRY SANDERS, Mayor



Vetoed:

(date)

JERRY SANDERS, Mayor

AGREEMENT
FOR THE EXTERNAL AUDIT OF
BID TO GOAL AND PAY FOR PERFORMANCE PROGRAMS

This Agreement for the external audit of the Bid to Goal and Pay for Performance Programs of the Water and Wastewater Departments ("Agreement") is made by the City of San Diego, a municipal corporation ("City"), and Grice, Lund and Tarkington, LLP, ("Consultant"), with offices located at 5946 Priestly Drive, Suite 200, Carlsbad, California, 92008, individually referred to as "Party" and collectively as "Parties."

RECITALS

- A. The City solicited proposals for Bid No. 8584-07-V for the services of an external auditor to audit the Bid to Goal and Pay for Performance Programs of the City's Water and Wastewater Departments, attached hereto as Exhibit "A."
- B. The Consultant submitted a proposal in response to Bid No. 8584-07-V, attached hereto as Exhibit "B," which has been accepted, in part, by the City.
- C. The Consultant has also submitted a letter to the City dated March 5, 2007, attached hereto as Exhibit "C," setting forth certain assumptions pertaining to the City's responsibilities and successful completion of the audits.
- D. The City and the Consultant desire to enter into this Agreement to perform the audits.

NOW, THEREFORE, in consideration of the recitals and mutual obligations of the Parties as herein expressed, the City and the Consultant agree as follows:

AGREEMENT

1. Description of Audits: The Consultant shall audit the City's programs set forth in Sections 1 and 2 on page 5 of Exhibit "B": Water Operations Division Bid to Goal and Pay for Performance for Fiscal Year 2006, and Wastewater Operation & Maintenance and Wastewater Collection Divisions Bid to Goal and Wastewater Department Pay for Performance for Fiscal Year 2006. The audits set forth in Sections 3 through 5 of Exhibit "B" are not a part of this Agreement unless the City exercises the option to renew set forth in Section 5 of this Agreement.

2. Compensation. The City will pay the Consultant a lump sum amount of \$45,000 for the Water Department audits as set forth in Section 1 on page 5 of Exhibit "B," and a lump sum amount of \$67,500 for the Wastewater Department audits as set forth in Section 2 on page 5 of Exhibit "B." The City will pay the Consultant within 30 days after receipt of one or more invoices certifying the audits are complete.

3. Schedule. The Consultant shall complete the audits according to the schedule set forth in Section III.L of Exhibit "A."

4. Precedence of Documents. In the event of a conflict between the terms or conditions of this Agreement and/or its Exhibits, the conflict shall be resolved according to the following order of precedence of documents. The terms and conditions of a document with a lower number prevail over conflicting terms and conditions of a document with a higher number:

1. This Agreement.
2. Exhibit "A": City's Request for Bid No. 8584-07-V and references therein.
3. Exhibit "B": Consultant's Proposal dated January 16, 2007.
4. Exhibit "C": Consultant's Letter dated March 5, 2007.

5. Option to Renew. The Consultant grants the City the option to renew this Agreement, at the City's sole discretion, to add any or all of the audits listed in Sections 3-5 on pages 5-6 of Exhibit "B" for the fixed prices set forth therein. Such option must be exercised by the City, in writing, no later than December 31, 2007, or such option may be voided by the Consultant at its discretion. The time for completion of these optional audits shall be within 60 days of notification by the City that it is exercising the option. Any additional options not addressed in this Section 5 of the Agreement may be exercised in accordance with Section II.D of Exhibit "A," but will require approval of the San Diego City Council prior to award pursuant to San Diego Municipal Code Section 22.3223.

6. Exhibits. All exhibits referenced herein are to be considered a part of this Agreement and are hereby incorporated by reference.

7. Report Requirements. In the event that the Consultant is unable to complete any of the audits for the reasons set forth in Exhibit "C," in lieu of completing the audit the Consultant shall issue a report explaining the problems encountered and the specific reason(s) why the audit cannot be completed.

8. Mandatory Non-binding Mediation. If a dispute arises out of, or relates to this Agreement, or the breach thereof, and if said dispute cannot be settled through normal contract negotiations, the Parties agree to first endeavor to settle the dispute in an amicable manner, using mandatory non-binding mediation under the Construction Industry Mediation Rules of the American Arbitration Association before having recourse in a court of law. The expenses of witnesses for either side shall be paid by the party producing such witnesses. All other expenses of the mediation, including required travel and other expenses of the mediator, and the cost of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by the Parties, unless they agree otherwise. Any resultant agreements from mediation shall be documented in writing. All mediation proceedings, results, and documentation shall be inadmissible for any purpose in any legal proceeding (pursuant to California Evidence Codes sections 1115 thru 1128), unless such admission is otherwise agreed upon in writing by both parties. Mediators shall not be subject to any subpoena or liability, and their actions shall not be subject to discovery.

9. Product Endorsement. The Consultant shall conform to the City's Administrative Regulation 95.65 concerning product endorsement. Any advertisement referring to the City as a user of a product or service will require written approval of the Mayor or his designee. Reference to the existence of this Agreement in proposals and marketing presentations by the Consultant is permissible.

10. Drug-Free Workplace. The City has adopted a Drug-Free Workplace Policy which is incorporated herein as Exhibit "D." This policy applies to the Consultant and any subcontractors. The Consultant must submit the Certification for Drug-Free Workplace in accordance with Exhibit "D" before the Consultant will be authorized to proceed with the audits.

11. Successors-in-interest. This Agreement and all rights and obligations contained herein shall be in effect whether or not any or all Parties to this Agreement have been succeeded by another entity, and all rights and obligations of the Parties signatory to this Agreement shall be vested and binding on their successors-in-interest.

12. Governing Law. This Agreement is entered into and shall be construed and interpreted in accordance with the laws of the State of California. Venue from actions arising out of the Agreement shall be in the County and City of San Diego, California.

13. Entire Agreement. This Agreement contains the entire understanding between all the Parties relating to the transaction contemplated hereby, and all prior or contemporaneous agreements, correspondence, understandings, representations and statements, oral or written, are merged herein and shall be of no further force or effect. No provision of this Agreement may be amended, waived, or added except by an instrument in writing signed by the Parties hereto.

14. Counterparts. This Agreement may be executed in counterparts, which when taken together shall constitute a single signed original as though all parties had executed the same page.

[remainder of page intentionally blank]

IN WITNESS WHEREOF, the Agreement is executed by the City of San Diego, acting by and through its Mayor or his designee, pursuant to Municipal Code Section 22.3223 authorizing such execution, and by the Consultant through its authorized officer.

GRICE, LUND & TARKINGTON, LLP

CITY OF SAN DIEGO

By: John C. LechleiterBy: Larry Rimes
Tammy Rimes, Deputy Director
Purchasing & Contracting Dept.Name: JOHN C. LECHLEITERDate: 4/2/07Date: MARCH 26, 2007

I HEREBY APPROVE the form and legality
of the foregoing Agreement this 3rd day
of April, 2007.

MICHAEL J. AGUIRRE, City Attorney

By: [Signature]
Deputy City Attorney

AMENDMENT NO. 1
TO THE
AGREEMENT
BETWEEN
AKT LLP (formerly Grice, Lund and Tarkington, LLP)
AND THE
CITY OF SAN DIEGO
FOR THE EXTERNAL AUDIT OF
BID TO GOAL AND PAY FOR PERFORMANCE PROGRAMS

This First Amendment for the external audit of the Bid to Goal and Pay for Performance Programs of the Water and Wastewater Departments is made by the City of San Diego, a municipal corporation ("City") and AKT LLP (formerly Grice, Lund and Tarkington, LLP), with offices located at 5946 Priestly Drive, Suite 200, Carlsbad, California, 92008, individually referred to as "Party" or collectively as "Parties."

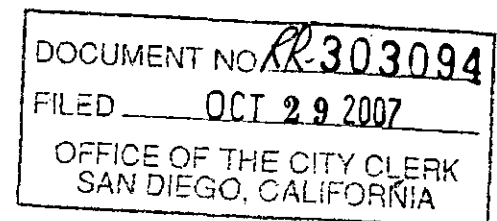
RECITALS

- A. On April 4, 2007, the City entered into an Agreement (the original of which is on file in the office of the City Clerk as Document No. C-14164) with Grice, Lund and Tarkington, LLP ("Consultant") for the 2006 audit of the Bid to Goal and Pay for Performance Program of the City's Water and Wastewater Departments;
- B. Grice, Lund and Tarkington, LLP has merged with AKT LLP;
- C. The City and Consultant mutually desire to amend the Agreement for AKT LLP to assume the obligations of Grice, Lund and Tarkington under the Agreement;
- D. The City desires to exercise the option set forth in Paragraph 5, Option to Renew, for the 2007 audit of the Bid to Goal and Pay for Performance Program of the City's Water and Wastewater Departments;

NOW THEREFORE, the City and Consultant agree to amend the Agreement as follows:

FIRST AMENDMENT

- 1.0 AKT LLP hereby assumes the obligations under the Agreement that were formerly the responsibility of Grice, Lund and Tarkington, LLP. All references in the Agreement to Grice, Lund and Tarkington, LLP shall be interpreted as referring to AKT LLP.
- 2.0 The City hereby exercises the Option to Renew set forth in Section 5 of the Agreement to add the audits listed in Sections 3-5 on pages 5-6 of Exhibit "B" for the fixed prices set forth therein.



000966

	Department / Division	Price
Section 3	Water Department Operations Division	\$46,000
Section 4	Water Department Customer Support Division	\$50,000
Section 5	Wastewater Department	\$69,000

3.0 This First Amendment to the Agreement shall affect only the page(s) and paragraph(s) and/or terms and conditions referred to herein. All other elements of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment is executed by the City of San Diego, acting by and through its Mayor or his designee, pursuant to Municipal Code Section 22.3036 authorizing such execution, and by the Consultant through its authorized officer.

AKT LLP

CITY OF SAN DIEGO

By: John C. Lechleiter

By: _____
 Tammy Rimes, Deputy Director
 Purchasing & Contracting Dept.

Name: John C. Lechleiter

Date: _____

Date: October 11, 2007

I HEREBY APPROVE the form and legality
 of the foregoing Agreement this _____ day
 of _____, 2007.

MICHAEL J. AGUIRRE, City Attorney

By: _____
 Deputy City Attorney

303094

303094

R 303094

000967

EXHIBIT B



GRICE, LUND AND TARKINGTON LLP
CERTIFIED PUBLIC ACCOUNTANTS

March 5, 2007

City of San Diego
1200 Third Avenue, Suite 200
San Diego, CA 92101-4195

We are pleased to confirm our understanding of the nature and limitations of the services we are to provide for the following:

1. City of San Diego Water Department Operations Division.
2. City of San Diego Metropolitan Wastewater Department Operations and Maintenance Division
3. City of San Diego Metropolitan Wastewater Department Wastewater Collection Division

We will perform various procedures related to the City of San Diego Water Department Operations Division, Metropolitan Wastewater Department Operations and Maintenance Division, and Metropolitan Wastewater Department Wastewater Collection Division (collectively "City of San Diego") Bid-To-Goal Programs for the fiscal year ended June 30, 2006. Our procedures will include verifying the accuracy of the budget savings reported by the City of San Diego. We will review the budget objective and the reporting of "in-scope" and "out-of-scope" expenditures and compare the reported results to the Bid-To-Goal Agreement. We will report our findings in regards to the accuracy of the budget savings reported by the City of San Diego and any suggestions for improvement that come to our attention.

We understand that the City of San Diego personnel will provide the documentation we request and will be available to assist us with questions we may have. This engagement is solely to assist the City of San Diego. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or will not issue a report as a result of this engagement.

Because the agreed-upon procedures do not constitute an examination, we will not express an opinion on them. In addition, we have no obligation to perform any procedures beyond those described above.

We will submit a report listing the procedures performed and our findings. This report is intended solely for the use of the City of San Diego and the Office of the City Auditor and Comptroller and should not be used by anyone other than these specified parties. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the conclusion of our engagement, we will require a representation letter from management that, among other things, will confirm management's responsibility for the budget savings reported.

Management is responsible for management decisions and functions, and for designating a qualified management-level employee to oversee the agreed-upon procedures with respect to the services we provide. Management is responsible for evaluating the adequacy and results of those services and accepting responsibility for such services. Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

CARLSBAD

5946 Priestly Drive, Suite 200, Carlsbad, CA 92008
Phone 760-431-8440 Fax 760-746-7048

ENCINITAS

144 West D Street, Encinitas, CA 92024
Phone 760-753-1157 Fax 760-753-5832

ESCONDIDO

312 South Juniper St., Suite 100, Escondido, CA 92025
Phone 760-746-1560 Fax 760-746-7048

000970

Our fees for these services will be billed at our standard hourly rates not to exceed:

Water Department Operations Division	\$ 22,500
Metropolitan Wastewater Department Operations and Maintenance Division	22,500
Metropolitan Wastewater Department Wastewater Collection Division	22,500
	<u>\$ 67,500</u>

Travel and other out-of-pocket costs such as report production, word processing, postage, etc. is included in the amount above. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 or more days overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. If the need for additional procedures arises, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we will require that they acknowledge in writing their responsibility for the sufficiency of the procedures.

Very truly yours,

Grice, Lund & Tarkington, LLP

Grice, Lund and Tarkington LLP

RESPONSE:

This letter correctly sets forth the understanding of the City of San Diego.

Signature:

Title:

Date:

000971



GRICE, LUND AND TARKINGTON LLP
CERTIFIED PUBLIC ACCOUNTANTS

March 5, 2007

City of San Diego
1200 Third Avenue, Suite 200
San Diego, CA 92101-4195

We are pleased to confirm our understanding of the nature and limitations of the services we are to provide for the following:

1. City of San Diego Water Department Operations Division
2. City of San Diego Metropolitan Wastewater Department

We will perform various procedures related to the City of San Diego Water Department Operations Division and City of San Diego Metropolitan Wastewater Department (collectively "City of San Diego") Pay-for-Performance Programs for the fiscal year ended June 30, 2006. Our procedures will include reviewing the goals set, verifying that adequate documentation supports the reported percentages of goals met, and identifying practices and procedures to assist the City of San Diego in improving future Pay-for-Performance Program reporting. We will judgmentally select a sample of goals to test based on prior audit findings, new goals, and reporting complexity. We will report our findings in regards to achievement of goals reported by the City of San Diego in comparison to achievement of goals per our procedures and any suggestions for improvement that come to our attention.

We understand that the City of San Diego personnel will provide the documentation we request and will be available to assist us with questions we may have. This engagement is solely to assist the City of San Diego. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or we will not issue a report as a result of this engagement.

Because the agreed-upon procedures do not constitute an examination, we will not express an opinion on them. In addition, we have no obligation to perform any procedures beyond those described above.

We will submit a report listing the procedures performed and our findings. This report is intended solely for the use of the City of San Diego and the Office of the City Auditor and Comptroller and should not be used by anyone other than these specified parties. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the conclusion of our engagement, we will require a representation letter from management that, among other things, will confirm management's responsibility for the goal achievement reported and the amount of payout to the employees.

Management is responsible for management decisions and functions, and for designating a qualified management-level employee to oversee the agreed-upon procedures with respect to the services we provide. Management is responsible for evaluating the adequacy and results of those services and accepting responsibility for such services. Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

CARLSBAD

5946 Priestly Drive, Suite 200, Carlsbad, CA 92008
Phone 760-431-8440 Fax 760-746-7048

ENCINITAS

144 West D Street, Encinitas, CA 92024
Phone 760-753-1157 Fax 760-753-5832

ESCONDIDO

312 South Juniper St., Suite 100, Escondido, CA 92025
Phone 760-746-1560 Fax 760-746-7048

000972

Our fees for these services will be billed at our standard hourly rates not exceed:

Water Department Operations Division	\$	22,500
Metropolitan Wastewater Department		22,500
	\$	<u>45,000</u>

Travel and other out-of-pocket costs such as report production, word processing, postage, etc. is included in the amount above. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 or more days overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. If the need for additional procedures arises, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we will require that they acknowledge in writing their responsibility for the sufficiency of the procedures.

Very truly yours,

Grice, Lund & Tarkington, LLP

Grice, Lund and Tarkington LLP

RESPONSE:

This letter correctly sets forth the understanding of the City of San Diego.

Signature:

Title:

Date:

000973

DUPLICATE

MWD-7074



America's Finest City

THE CITY OF SAN DIEGO

DOCUMENT NO. C-14164

FILED APR 4 2007

OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

000975

EXHIBIT C

000977

**PROPOSED
CONSULTING SERVICES
FOR**



America's Finest City

THE CITY OF SAN DIEGO

GLT

GRICE, LUND AND TARKINGTON LLP
CERTIFIED PUBLIC ACCOUNTANTS



Ms. Leslie Valdez
The City of San Diego
Purchasing and Contracting Department
1200 Third Avenue, Suite 200
San Diego, CA 92101-4195

RE: Bid No. 8584-07-V
External Auditor for Bid to Goal and Pay for Performance Programs

Dear Leslie:

Grice, Lund and Tarkington LLP (GLT) is pleased to submit our qualifications to provide Audit Services for the City of San Diego's Bid to Goal and Pay for Performance Programs for the following divisions (Divisions):

- Water Department - Operations Division
- Metropolitan Wastewater Department - Operations and Maintenance / Wastewater Collection
- Water Department - Customer Support Division

For more than 55 years, we have provided audit and consulting services to government organizations and built a significant base of expertise in performance benchmarking, budgetary calculations, and developing methods to thoroughly analyze results.

GLT has conducted a number of engagements for both public and private sector clients with similarities to the services requested by the Divisions. GLT successfully performed the following June 30, 2005 audits for the City of San Diego:

- Water Department - Operations Division *Bid to Goal and Pay for Performance*
- Metropolitan Wastewater Department - Operations and Maintenance / Wastewater Collection *Bid to Goal and Pay for Performance*

Through these audits, we have gained significant insight into the City's programs, priorities, staffing, and services. Our response to the Request for Bid is designed to illustrate our experience in performing the tasks described in the Scope of Work, and to demonstrate why our firm is best suited to meet your needs.

If selected to provide the requested service, GLT will immediately begin planning with the Divisions' project leaders, begin fieldwork shortly thereafter and will accept the instructions and conditions contained in the Request for Bid, including providing all of the required insurance coverage and W-9.

I am authorized to act as the Firm's legal representative and represent GLT in any negotiations with the City. If you have questions or need further assistance, please call me at (760) 268-0201.

Sincerely,

John C. Lechleiter, CPA
Audit Partner

jlechleiter@gltcpas.com

CARLSBAD

5946 Priestly Drive, Suite 200, Carlsbad, CA 92008
Phone 760-431-8440 Fax 760-746-7048

ENCINITAS

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Phone 760-746-1560 Fax 760-746-7048

000981
The City of San Diego

Purchasing and Contracting Department

External Auditor for Bid to Goal and Pay for Performance Programs

Bid No. 8584-07-V

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The City of San Diego

Purchasing and Contracting Department

External Auditor for Bid to Goal and Pay for Performance Programs

Bid No. 8584-07-V

QUALIFICATIONS AND EXPERIENCE

GLT has provided consulting services to public sector and private organizations for more than 55 years, and has achieved a reputation for delivering superior quality, customer-focused services. Our professionals are among the most qualified individuals to perform the work requested by the City of San Diego. They maintain industry-recognized credentials, such as Certified Management Consultant and Certified Public Accountant; and have experience with organizations similar to the Divisions that spans 10 to 20 years. Our expertise covers all phases of Divisions' Bid to Goal and Pay for Performance Programs.

MANAGEMENT APPROACH

GLT uses a *Client Service Team* to bring a broad range of competencies to consulting projects. For the services you are requesting, we will assign John Lechleiter, Partner; Geoff Guilfooy, principal; Mike Sliney, Supervisor; and Andrew Maffia, Senior Consultant. All four will be actively involved and available for the duration of the project. John, Mike and Andrew can be contacted at our conveniently located Carlsbad office and Geoff will be available through our Portland office.

John Lechleiter will be the project manager and will supervise the project team. He has been the project manager for dozens of high-level, complex public sector projects, including several with the City of San Diego. GLT has served the following City departments/divisions: Water Department Operations Division, Metropolitan Wastewater Department; and the Water Department Customer Support.

Key Elements of a Successful Project

- ◆ *Jointly understood vision of the purpose and goals of the work.*
- ◆ *Engage key stakeholders in the process and communicate frequently.*
- ◆ *Deliver results as the product of our work together.*

Our success in managing complex projects and completing them on time and within budget requires that we develop a quality working relationship with you, and that we carefully plan and deliver what we promise.

Our commitment and ability to perform these services is significantly enhanced by our recent merger with Oregon-based Aldrich Kilbride & Tatone, LLC (AKT). Even though the work for the city of San Diego would be entirely performed by employees in our Carlsbad office, we now have an extensive new resource with a reputation for providing high-quality services to the public sector in Oregon. AKT has made a business of providing professional services to government agencies for more than 30 years, and has experience in directing, evaluating and improving government programs and organizations.

TEAM MEMBER PROFILES, EXPERIENCE, PROJECT RESPONSIBILITIES**John C. Lechleiter, CPA, JD, Partner**

jlechleiter@gltcpas.com (760) 268-0201

John Lechleiter is an audit partner at GLT and will be the Project Leader. He will be actively involved in all aspects of the project, including planning, communication, oversight of benchmark testing, report writing and presentation of findings to management and the various Districts. He has extensive knowledge of government organizations, systems, policies and operating procedures. John has been a partner since 1985 and has over 25 years experience in providing auditing and accounting services. John holds a Bachelor of Science Degree in Business from California State University Northridge and a

The City of San Diego

Purchasing and Contracting Department

External Auditor for Bid to Goal and Pay for Performance Programs

Bid No. 8584-07-V

Juris Doctor from Thomas Jefferson School of Law. Mr. Lechleiter is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. He also sits on the California Society of Certified Public Accountants State Peer Review Committee. He has served on the board of directors and in various other leadership positions of many non-profit organizations in the community.

Geoff Guilfoey, CMC, CGFM, Principal gguilfoey@aktcpa.com (503) 620-4489

Geoff directs AKT's management consulting services and will be mentoring the project team and providing his insights and expertise to the overall engagement. Prior to joining AKT, Geoff served in executive management positions in Oregon state government for more than 17 years. He served for 5 years as Deputy Director for the Department of Consumer and Business Services and over 7 years as Assistant Administrator for the Executive Department Budget and Management Division (now Department of Administrative Services). He also held management positions with the Department of Human Services and the Department of Transportation.

His direct experience includes performance measurement and benchmarking, strategic planning, budgeting and financial management, human resources management, policy analysis, and regulation. Since joining AKT, Geoff has led operational reviews, organizational development, executive coaching and many other consulting services to a number of government agencies, nonprofit organizations, and private sector clients.

Geoff is an Executive Professor at Willamette University's Atkinson Graduate School of Management, where he teaches courses in operations and management review and nonprofit management. Geoff has a Master of Business Administration (MBA) degree, is a Certified Management Consultant, a Certified Government Financial Manager, and is an active member of the Institute of Management Consultants and the Association of Government Accountants.

Michael Sliney, CPA, Supervisor msliney@gltcpas.com (760) 268-0229

Mike Sliney has seven years of public accounting experience primarily in governmental and non-profit auditing, accounting, and business consulting. He supervised the June 30, 2005 City of San Diego Bid to Goal and Pay for Performance audits and will continue to do so for the June 30, 2006 audits. Mike has a Bachelor of Science Degree in Accounting from California State University San Marcos. Mr. Sliney has significant experience in auditing governmental and non-profit organizations. Prior to joining GLT in 2000, he served as an accountant in private industry for four years.

Andrew Maffia, CPA, Senior Consultant amaffia@gltcpas.com (760) 268-0228

Andy Maffia has five years of public accounting experience and specializes in auditing, consulting and financial services to our public sector clients. He was the lead auditor on the June 30, 2005 City of San Diego Bid to Goal and Pay for Performance Program audits and will be actively involved in overseeing the June 30, 2006 audits. Andy will be the lead auditor for the June 30, 2006 audits. He has strong analytical and problem-solving skills necessary to develop concise audit tests for the various City benchmarks. Andy has a Bachelor of Science Degree in Accounting and Finance from California Polytechnic State University, San Luis Obispo. Andy is a member of the California Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

RESPONDENT'S CAPABILITIES

GLT is a professional management consulting and accounting firm founded in California in 1949, with California offices in Encinitas, Carlsbad and Escondido and Oregon offices in Salem and Portland. Since its origin, GLT has expanded into a full-service firm with 154 employees who serve clients throughout the west coast. Our firm's mission statement is *"helping our clients achieve their goals."* We listen carefully to those we serve, and we work to understand your organization and objectives to provide services that enable you to meet your goals.

Our management consultants retain and improve their skills and competencies through active membership in professional associations such as the Horwath International, CPAmerica, Inc., Institute for Management Consultants and through professional development courses.

We specialize in servicing government and nonprofit entities. GLT is qualified to consult in each of the areas outlined in the Request for Bid. GLT has been selected as the San Diego representative of CPAmerica, Inc. CPAmerica, Inc. requires its membership to strict peer review, quality controls and provides a network to members who have experience in specific areas of taxation and audit.

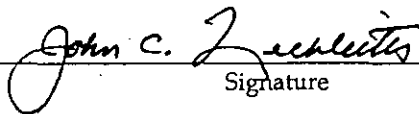
GLT has successfully completed a peer review for the year ended March 31, 2005. Our peer review is third party verification that GLT meets the standards of our profession. The peer review included specific governmental engagements.

PROJECT APPROACH

The City of San Diego Metropolitan Wastewater Department and Water Department have implemented several employee incentive programs over the past five years that have resulted in improved customer service and reduction in costs. The Bid to Goal programs provide incentive pay to employees for efficiencies that result in cost savings to their respective departments and/or divisions. The Pay for Performance programs provide incentive pay to employees for achievement of goals that result primarily in improved customer service. The City of San Diego has benefited greatly from the implementation of these programs.

The members of our Client Service Team have significant experience auditing both the Bid to Goal and Pay for Performance programs. Through our past experience, our team has developed valuable knowledge of the Metropolitan Wastewater and Water Departments' accounting systems and the characteristics and nature of their goals and benchmarks. The audits that GLT completed for the City for the year ended June 30, 2005 required an average of 200-230 hours per audit, whereas our proposed fees included in pages 5-6 of this bid are based on 160-180 hours per audit. We anticipate fewer hours required because of our previous experience. In addition to performing a fair, complete and accurate audit of their programs, our team will provide important feedback in regards to establishing future benchmarks and goals. Developing a long-term relationship will result in continuous improvements to these programs and positive impacts on both customer service and department costs.

John C. Lechleiter, Partner
Print Name, Title


Signature

January 16, 2007
Date



1989

CITY OF SAN DIEGO

PURCHASING & CONTRACTING DEPARTMENT

1200 Third Avenue, Suite 200

San Diego, CA 92101-4195

Bid No. 8584-07-V

REQUEST FOR BID

Closing Date: January 22, 2007
@ 2:30 pm Pacific Standard Time

Subject: Furnish the City of San Diego with External Auditor for Bid to Goal and Pay for Performance Programs, as may be required for a period of one (1) year from date of award with options to renew for four (4) additional one (1) year periods, in accordance with the attached specifications.

Company Grice, Lund and Tarkington LLP
Federal Tax I.D. No. 95-2802865
Street Address 5946 Priestly Dr., Ste. 200
City Carlsbad
State CA Zip Code 92008
Tel. No. 760-268-0201 Fax No. 760-431-9052
E-Mail jlechleiter@gltpas.com

Name John C. Lechleiter

[PRINT OR TYPE]

Signature* John C. LechleiterTitle Audit PartnerDate January 16, 2007

**Authorized Signature: The signer declares under penalty of perjury that she/he is authorized to sign this document and bind the company or organization to the terms of this agreement.*

ONLY BIDS WITH AN ORIGINAL SIGNATURE
WILL BE ACCEPTED.

This cover page must be completed and submitted as part of your bid.

If your firm is not located in California, are you authorized to collect California sales tax? ☐ YES ☒ NO ☐ N/A
GLT is located in California, but not authorized to collect California sales tax.
If YES, under what Permit # _____

Cash discount terms _____ % _____ days.
[Terms of less than 20 days will be considered as Net 30 for bid evaluation purposes.]

City of San Diego Business Tax License #: _____

FOR FURTHER INFORMATION CONCERNING THIS BID, PLEASE CONTACT:

LESLIE VALDEZ/bl9, Procurement Specialist

Phone: (619) 236-7090

Facsimile: (619) 533-3238

E-mail: LValdez@sandiego.gov

I. PRICING PAGE

A. SECTION 1 – FISCAL YEAR 2006 AUDIT – WATER DEPARTMENT - WATER OPERATIONS DIVISION

Work Group	Fixed Price (Lump Sum Total)
Water Operations Division - Bid to Goal	\$ 22,500
Water Operations Division - Pay for Performance	\$ 22,500
TOTAL SECTION 1:	\$ 45,000

B. SECTION 2 – FISCAL YEAR 2006 AUDIT – METROPOLITATION WASTEWATER DEPARTMENT – OPERATIONS & MAINTENANCE, AND WASTEWATER COLLECTION DIVISION (MWWD – O&M-WWC)

Work Group	Fixed Price (Lump Sum Total)
MWWD – O&M – Bid to Goal	\$ 22,500
MWWD - WWC – Bid to Goal	\$ 22,500
MWWD – Pay for Performance	\$ 22,500
TOTAL SECTION 2:	\$ 67,500

C. SECTION 3 – WATER DEPARTMENT – WATER OPERATIONS DIVISION- 2007

Work Group	Fixed Price (Lump Sum Total)
Water Operations Division – Bid to Goal	\$ 23,000
Water Operations Division – Pay for Performance	\$ 23,000
TOTAL SECTION 3:	\$ 46,000

D. SECTION 4 – CUSTOMER SUPPORT DIVISION – (2007)

Work Group	Fixed Price (Lump Sum Total)
Customer Support Division – Bid to Goal	\$ 25,000
Customer Support Division – Pay for Performance	\$ 25,000
TOTAL SECTION 4:	\$ 50,000

E. SECTION 5 – METROPOLITAN WASTEWATER DEPARTMENT – (2007)

Work Group	Fixed Price (Lump Sum Total)
MWWD – O&M – Bid to Goal	\$ 23,000
MWWD - WWC – Bid to Goal	\$ 23,000
MWWD Pay for Performance	\$ 23,000
TOTAL SECTION 5:	\$ 69,000

F. OPTIONAL CONSULTING SERVICES

Pricing for optional consulting services shall be provided as an Attachment to the bid submittal. Prices shall include firm-fixed fully-burdened hourly labor rates for key personnel. Pricing for optional consulting services will not be considered in the evaluation for award. Prices shall include firm-fixed fully-burdened hourly labor rates for key personnel. Expenses will be reimbursed by the City on the basis of fairness, reasonableness, and expenses considered customary by the City. All reimbursable expenses shall be approved by the City in advance.

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BIDDER'S REFERENCES

The Bidder is required to provide a minimum of three (3) references where work of a similar size and nature was performed within the past five (5) years. This will enable the City of San Diego to judge the responsibility, experience, skill, and business standing of the Bidder.

REFERENCES

Company Name: Metropolitan Wastewater Department Contact Name: Darlene Morrow-Truver
 Address: 9192 Topaz Way Phone Number: 858-292-6384
San Diego, CA 92123 Fax Number: 858-292-6310
 Dollar Value of Contract: \$ 81,500 Contract Dates: Nov. 2005 - June 2006
 Requirements of Contract: External audits for the City of San Diego Metropolitan Wastewater Department June 30, 2005 Bid to Goal and Pay For Performance programs.

Company Name: Water Department-Ops. Div. Contact Name: Robin Currie
 Address: 2797 Caminito Chollas Phone Number: 619-527-3491
San Diego, CA 92105 Fax Number: 619-263-6759
 Dollar Value of Contract: \$ 60,000 Contract Dates: Nov. 2005 - March 2006
 Requirements of Contract: External audits for the City of San Diego Water Department Operations Division June 30, 2005 Bid to Goal and Pay for Performance programs.

Company Name: Pacific States Marine Fisheries Commission Contact Name: Randy Fisher
 Address: 205 SE Spokane St., Ste. 100 Phone Number: 503-595-3100
Portland, OR 97202 Fax Number: 503-595-3444
 Dollar Value of Contract: \$ \$75,000 Contract Dates: June 2005 - May 2006
 Requirements of Contract: To develop a new classification and pay-for-performance system for over 200 employees. Created process and implementation timetable for supervisors to follow. Project outcome included a new pay and bonus system whereby decisions are based on employees' achievement of established, written goals and objectives.

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Certification Survey

For Small, Ethnically and Culturally Diverse,
Woman, Disadvantaged, Disabled Veteran, Or Other Businesses

All Contractors are required to complete this form and return it with their bid package.

Company Name: Grice, Lund and Tarkington LLP

Mailing Address: 5946 Priestly Drive, Suite 200

Carlsbad, CA 92008

Telephone No.: (760) 268-0201

E-Mail Address: jlechleiter@gltcpas.com

1. Contractor's company is currently certified as small, ethnically and culturally diverse, woman, disadvantaged, disabled veteran, or other business? ☐ Yes ☒ No

Certification Number/Agency: _____

2. Contractor's company has applied for certification? ☐ Yes ☒ No

If yes, which agency? _____

3. Contractor's company is an independently owned business? ☒ Yes ☐ No

4. Contractor's company is 51% or more owned by a socially, economically, disadvantaged individual*? ☐ Yes ☒ No

5. SIC Code: 8721

6. Number of Employees: 154

7. Annual Gross Receipts (three year average): \$20,973,333

8. This is not an application for certification. If you would like to receive an application for certification, please check box: ☐

I certify that this information is correct:

John C. Lechleiter
Authorized Signature

7/16/2007
Date

* Black Americans, Native Americans, Hispanic Americans, Asian-Pacific Americans, Subcontinent Asian Americans, Women, any additional groups whose members are designated as socially and economically disadvantaged by the Small Business Administration (SBA) at such time as the SBA designation becomes effective.



THE CITY OF SAN DIEGO
EQUAL OPPORTUNITY CONTRACTING
 1010 SECOND AVENUE, SUITE 500
 SAN DIEGO, CA 92101
 PHONE (619) 533-4464 • FAX (619) 533-4474

WORK FORCE REPORT

The objective of the Equal Employment Opportunity is to ensure that contractors doing business with the City, or receiving funds from the City, will not engage in unlawful discriminatory employment practices prohibited by State and Federal law. Such employment practices include, but are not limited to the following: employment, promotion or upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation and selection for training, including apprenticeship.

NO OTHER FORMS WILL BE ACCEPTED CONTRACTOR IDENTIFICATION

Type of Contractor: ☐ Construction ☐ Vendor/Supplier ☐ Financial Institution ☐ Lessee/Lessor
☒ Consultant ☐ Grant Recipient ☐ Insurance Company ☐ Other

Name of Company: Grice, Lund and Tarkington LLP

ADA/DBA: a division of Aldrich, Kilbride and Tatone, LLC

Address (Corporate Headquarters, where applicable): 5946 Priestly Drive, Suite 200

City: Carlsbad County: San Diego State: CA Zip: 92008

Telephone Number: (760) 431-8440 Fax Number: (760) 431 - 9052

Name of Company CEO: Ronald A. Mitchell, CPA

Address(es), phone and fax number(s) of company facilities located in San Diego County (if different from above):

Address: _____

City: _____ County: _____ State: _____ Zip: _____

Telephone Number: () _____ - _____ Fax Number: () _____ - _____

Type of Business: _____ Type of License: _____

The Company has appointed: Julie Vadnais

As its Equal Employment Opportunity Officer (EEOO). The EEOO has been given authority to establish, disseminate and enforce equal employment and affirmative action policies of this company. The EEOO may be contacted at:

Address: 5946 Priestly Drive, Suite 200, Carlsbad, CA 92008

Telephone Number: (760) 268 - 0205 Fax Number: (760) 431 - 9052

For Firm's: ☒ San Diego Work Force and/or ☐ Managing Office Work Force

I, The undersigned representative of Grice, Lund and Tarkington LLP

(Firm Name)

San Diego

(County)

California

(State)

hereby certify that information provided herein is true and correct. This document was executed on this day of Jan. 16 2007

John C. Lechleiter
 (Authorized Signature)

John C. Lechleiter
 (Print Authorized Signature Name)

WORK FORCE REPORT -- Page 2

NAME OF FIRM: Grice, Lund and Tarkington LLPDATE: January 16, 2007

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- (1) African-American, Black (2) Latino, Hispanic, Mexican-American, Puerto Rican (3) Asian, Pacific Islander
 (4) American Indian, Eskimo (5) Filipino (6) Caucasian (7) Other ethnicity; not falling into other groups

OCCUPATIONAL CATEGORY	(1) African-American		(2) Latino		(3) Asian		(4) American Indian		(5) Filipino		(6) Caucasian		(7) Other ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Executive, Administrative, Managerial				1							34	15		
Professional Specialty			3	1	1						25	49		
Engineers/Architects														
Technicians and Related Support														
Sales														
Administrative Support/Clerical		2		1							1	21		
Services														
Precision Production, Craft and Repair														
Machine Operators, Assemblers, Inspectors														
Transportation and Material Moving														
Handlers, Equipment Cleaners, Helpers and Non-construction Laborers*														

*Construction laborers and other field employees are not to be included on this page

TOTALS EACH COLUMN		2	3	3	1						60	85		
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GRAND TOTAL ALL EMPLOYEES	154
---------------------------	-----

INDICATE BY GENDER AND ETHNICITY THE NUMBER OF ABOVE EMPLOYEES WHO ARE DISABLED:

DISABLED														
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

NON-PROFIT ORGANIZATIONS ONLY:

BOARD OF DIRECTORS														
VOLUNTEERS														
ARTISTS														

WORK FORCE REPORT - Page 3

NAME OF FIRM: Grice, Lund and Tarkington LLPDATE: January 16, 2007

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- (1) African-American, Black (2) Latino, Hispanic, Mexican-American, Puerto Rican (3) Asian, Pacific Islander
 (4) American Indian, Eskimo (5) Filipino (6) Caucasian (7) Other ethnicity; not falling into other groups

OCCUPATIONAL CATEGORY	(1) African- American	(2) Latino Hispanic	(3) Asian	(4) American Indian	(5) Filipino	(6) Caucasian	(7) Other Ethnicity
	(M) (F)	(M) (F)	(M) (F)	(M) (F)	(M) (F)	(M) (F)	(M) (F)
Carpenter							
Drywall Installer							
Electrician							
Elevator Installers							
Finishers, Concrete or Terrazzo							
Glaziers							
Helpers, Construction Trade							
Ironworkers, Structural Metal Workers							
Laborers							
Millwrights							
Masons, Bricklayers							
Tile setters							
Operators							
Painters							
Pipe fitter, Plumbers							
Plasterers							
Roofers							
Security, Protective Services							
Sheet Metal, Duct Installers							
Welders, Cutters							

TOTALS EACH COLUMN							
--------------------	--	--	--	--	--	--	--

GRAND TOTAL ALL EMPLOYEES	
---------------------------	--

INDICATE BY GENDER AND ETHNICITY THE NUMBER OF ABOVE EMPLOYEES WHO ARE DISABLED:

DISABLED							
----------	--	--	--	--	--	--	--

Purchasing Division • City of San Diego
CONTRACTOR STANDARDS
Questionnaire

On May 24, 2005, the Council of the City of San Diego adopted Ordinance No. O-19383. The intent of the Contractor Standards clause of San Diego Municipal Code §22.3224 is to ensure the City of San Diego conducts business with firms that have the necessary quality, fitness and capacity to perform the work set forth in the contract.

To assist the Purchasing Agent in making this determination, each bidder/proposer must complete and submit the attached questionnaire with the bid/proposal. If a non-competitive process is used to procure the contract, the proposed contractor must submit this completed questionnaire prior to execution of the contract. Submitted questionnaires are public records and information contained within will be available for public review for at least ten (10) calendar days, except to the extent that such information is exempt from disclosure pursuant to applicable law.

All questionnaire responses must be typewritten or printed in ink. If an explanation is requested or additional space is required, respondents must use the *Questionnaire Attachment "A"* and sign each page. The signatory of this questionnaire guarantees the truth and accuracy of all responses and statements. Failure to submit this completed questionnaire may make the bid/proposal non-responsive and disqualified from the bidding process. If a change occurs which would modify any response, Contractor must provide the Purchasing Agent an updated response within thirty (30) calendar days.

A. PROJECT TITLE:

External Auditor for Bid to Goal and Pay for Performance Programs

B. BIDDER/CONTRACTOR INFORMATION:

Grice, Lund and Tarkington LLP

Legal Name	DBA
5946 Priestly Drive, Suite 200 Carlsbad	CA 92008
Street Address	City State Zip
John C. Lechleiter	760-268-0201 760-431-9052
Contact Person, Title	Phone Fax

C. OWNERSHIP AND NAME CHANGES:

1. In the past five (5) years, has your firm changed its name?

☐ Yes ☒ No

If Yes, use *Questionnaire Attachment "A"* to list all prior legal and DBA names, addresses and dates when used. Explain the specific reasons for each name change.

2. In the past five (5) years, has a firm owner, partner or officer operated a similar business?

☐ Yes ☒ No

If Yes, use *Questionnaire Attachment "A"* to list names and addresses of all businesses and the person who operated the business. Include information about a similar business only if an owner, partner or officer of your firm holds or has held a similar position in another firm.

D. **BUSINESS ORGANIZATION/STRUCTURE:** Indicate the organizational structure of your firm. Check one only on this page. Use *Questionnaire Attachment "A"* if more space is required.

☐ **Corporation** Date incorporated: ___/___/___ State of incorporation: _____

List corporation's current officers:

President: _____
 Vice President: _____
 Secretary: _____
 Treasurer: _____

Is your firm a publicly traded corporation? ☐ Yes ☐ No

If Yes, name those who own five percent (5%) or more of the corporation's stocks:

☐ **Limited Liability Company** Date formed: ___/___/___ State of formation: _____

List names of members who own five percent (5%) or more of the company:

☒ **Partnership** Date formed: 1 / 1 / 49 State of formation: California

List names of all firm partners:

John Lechleiter, Ronald Mitchell, Jeanne Taylor,
Robert Burson, Kevin Camperell, Peter DeFrancesca,
Carolyn Witt and Charles Critchlow

☐ **Sole Proprietorship** Date started: ___/___/___

List all firms you have been an owner, partner or officer with during the past five (5) years. Do not include ownership of stock in a publicly traded company:

☐ **Joint Venture** Date formed: ___/___/___

List each firm in the joint venture and its percentage of ownership:

Note: Each member of a Joint Venture must complete a separate *Contractor Standards Questionnaire* for a Joint Venture's submission to be considered responsive